



# Department of Justice



United States Attorney Benjamin B. Wagner  
Eastern District of California

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CONTACT: Lauren Horwood

PHONE: 916-554-2706

[usacae.edcapress@usdoj.gov](mailto:usacae.edcapress@usdoj.gov)

## **THREE BAKERSFIELD RESIDENTS CHARGED WITH CONSPIRING TO DEFRAUD LENDERS IN MORTGAGE FRAUD SCHEME**

FRESNO, Calif. – United States Attorney Benjamin B. Wagner announced today that a federal grand jury returned an indictment charging Eric Ray Hernandez, 34, Monica Marie Hernandez, 29, and Evelyn Brigget Sanchez, 27, all of Bakersfield, with conspiracy to commit mail fraud, wire fraud, and bank fraud, and with 15 counts of mail fraud, relating to their alleged operation of a scheme to defraud mortgage lending institutions. The indictment also charges Eric Hernandez and Monica Hernandez with money laundering. The indictment was unsealed Monday following the arrests and initial appearances in court of Eric Hernandez and Monica Hernandez. Evelyn Sanchez's initial appearance in court was Tuesday.

The indictment alleges that in brokering loans for the purchase or refinance of homes, primarily in the Bakersfield area, the defendants submitted loan applications to lenders containing false and fraudulent information, and caused lenders to fund mortgage loans based on such fraudulent applications. The indictment further alleges that the defendants caused false statements to be submitted to lenders concerning buyers' income, assets, and liabilities, buyers' employment status, and buyers' intent to occupy the properties as their personal residences. Additionally, the defendants are alleged to have submitted false supporting documentation in support of mortgage loan applications, including false pay stubs, false letters purporting to be from the buyers' tax accountant, false customer letters purporting to support the buyers' self-employment status, and false verifications of the buyers' bank funds on deposit. The indictment alleges that the defendants defrauded lenders of in excess of \$2.5 million through this scheme.

This case is the product of an extensive investigation by the IRS-Criminal Investigation and the Federal Bureau of Investigation, working jointly through the San Joaquin Valley Mortgage Fraud Task Force. The U.S. Attorney's Office and the FBI created the San Joaquin Valley Mortgage Fraud Task Force in 2009 to further the prosecution of mortgage fraud cases arising out of the southern half of the Central Valley. The Task Force is comprised of both federal and local law enforcement agents and prosecutors. This case is being prosecuted by Assistant U.S. Attorney Kirk Sherriff.

In a separate mortgage fraud case, the U.S. Attorney's Office charged Hoda Samuel, 58, of Elk Grove; Connie Devers, 40, of Elk Grove; Dana Faulkner, 43, of Oakland; Charles Robert Maness, 32, of Elk Grove; Tracy Painter, 50, of Lodi; Sean Patrick Gjerde, 34, of Elk Grove; Ronald Burris, 36, of Elk Grove; Ygnacia Bradford, 34, of Oakland; Nicole Dawson, 40, of Oakland; and Daniel Harrison, 40, of San Diego with conspiracy to commit mortgage fraud, mail fraud, and making false statements in mortgage applications to federally insured banks. The 48-count indictment was unsealed yesterday. That case is the product of an investigation by the FBI and the IRS-Criminal Investigation and is being prosecuted by Assistant U.S. Attorney Philip Ferrari.

This law enforcement action is part of the work being done by President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. One component of the FFETF is the national Mortgage Fraud Working Group, co-chaired by U.S. Attorney Wagner.

If convicted of the charges, the defendants face a maximum penalty of 30 years in prison, five years supervised release, and a \$1 million fine.

The charges are only allegations, and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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